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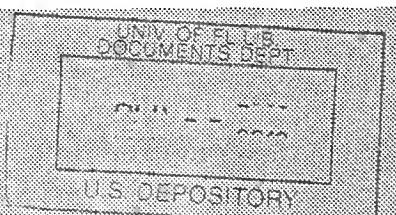
U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
FOOD DISTRIBUTION DIVISION

now that
you're in . . .

THE
SPECIAL
MILK

PROGRAM

A Program Guide for
Schools, Camps and Institutions
That Do Not Offer Milk to
Children as a Separately-Priced Item



Dear Program Sponsor:

Your application to participate in the Special Milk Program has been approved. Please keep in mind that approval has been based, in part, on your plan for increasing milk consumption by children. The incentive payments you will receive under this program are for the purpose of helping to pay for the additional milk you plan to serve children.

Importance of Following Your Plan for Increasing Milk Consumption

Under the terms of your Special Milk Program Agreement, you have agreed to serve milk to children in accordance with the plan shown in Item 15 of the Application form. Failure to follow the plan may result in a violation of the Agreement and the necessity to recover the incentive payments made to you. If it is necessary for you to deviate from the plan, be sure to notify the Area Office of the Food Distribution Division, immediately.

Effective Date of Agreement

Check Item 4 of the Agreement form. This item shows the date you may start claiming incentive payments. You may report and claim for all milk served to children on and after that date.

Rate of Incentive Payment

The rate of incentive payment is 2 cents per half pint for all milk served to children. EXCEPTION: Schools that also participate in the National School Lunch Program may not claim reimbursement for the first half pint of milk served as part of the Type A lunch.

Milk Sales to Children

Your milk service is considered primarily a nonpricing program. However, if some of the milk is sold to children, you must reduce the price of the milk being sold by 2 cents per half pint or as near to the 2 cent reduction as possible. For example: If the milk cost you 7 cents per half pint, the selling price to the child should be 5 cents.

PROGRAM RECORDS

Why You Must Retain Records

According to the terms of the Special Milk Program Agreement, you have agreed to retain certain records for a period of three years after the close of the fiscal year to which they pertain. These records are for the purpose of substantiating your claims for incentive payments and must be available for review and audit by AMS. Failure to retain the necessary records to support your claims may result in the necessity to recover incentive payments made to you.

What Records Are to be Kept

1. Milk Invoices - Either the daily milk delivery tickets or the monthly statement by the milk supplier must be kept to substantiate milk purchases. If only the monthly statement is retained for record purposes, the statement must show the number of fluid whole milk units purchased, and the price per unit after discount.
2. Claims for Reimbursement - Copies of all claims for reimbursement.
3. Application and Agreement - Copy of the approved Application, and Agreement.
4. Agreement Extensions and Amendments, and Correspondence - Copies of any extensions of and amendments to the Agreement, and any other correspondence relating to the program.
5. Flavored Milk Certification - Statement by the milk supplier certifying that the flavored milk served is made from fluid whole milk meeting the State's minimum requirements for butterfat and sanitation. If no flavored milk is served, you may disregard this item.
6. Adult Consumption - Reimbursement cannot be claimed for milk served to adults. For the purposes of this program, adults are persons 21 years of age or over. You have the option of:
 - (a) Maintaining a daily record of the number of half pints of milk served to adults (if you do so, a count must be made daily and the records must be retained for review and audit purposes), or
 - (b) Deducting 10 percent of total milk purchases as an estimate of adult consumption. EXCEPTION: Schools deduct 5 percent.

Many camps and institutions maintain a milk service where a count of adult milk consumption is almost impossible, such as service from pitchers, at tables where children and adults are served together. If your milk service is of this type, you should use 10 percent of total purchases as an estimate of adult consumption.

Select the method that best fits your particular situation. After one method has been selected, you may not change unless your request is approved in writing by the Area Office of the Food Distribution Division.

ALL OF THE RECORDS DESCRIBED ABOVE MUST BE MAINTAINED AT
YOUR CENTRAL OFFICE FOR A PERIOD OF THREE YEARS.

(Continued on following page)

YOUR CLAIM FOR INCENTIVE PAYMENTS

UNIVERSITY OF FLORIDA



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How to Speed Payment

You can expedite your payments by following these simple rules before mailing the claim -

1. Make sure that the names and addresses of the sponsor, and school, camp or institution are the same as shown on the Application and Agreement forms.
2. Check to see that the Special Milk Program Agreement Number is the same as shown on the Application and Agreement forms.
3. Each claim should cover all program operations during a month or other period of time covered by the claim, for example: July, 1958.
4. Be sure that all milk purchases are reported in half-pint units in Item 5 of the Claim form. For your convenience, the following table shows the number of half pints contained in the different size milk containers:

<u>Size of Container</u>	<u>Number of Half Pints</u>
10 Ounce	1-1/4
1/3 Quart	1-1/3
1 Quart	4
1/2 Gallon	8
1 Gallon	16

DO NOT INCLUDE IN ITEM 5, dairy food items other than fluid whole milk, either unflavored or flavored. For example: Do not show buttermilk, skim milk, cream, orange or other flavored milk drinks, etc. The total amount of milk reported in Item 5 must be supported by milk invoices.

5. Recheck to insure that all items on the Claim form are filled out and that all computations are correct.
6. Make certain that the Claim form is signed and dated by the authorized representative of the sponsor. All corrections and changes on the form must be initialed in ink or indelible pencil by the person signing the Claim.
7. Submit your claim for incentive payment by the 10th of the month following the period covered by the claim.